

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1237

April 9, 2021

SUMMARY OF BILL: Creates the state Office of Racial Equity (Office) to: (1) evaluate structures of support for racially diverse populations; (2) consider changes to state law that would facilitate prosecuting harassment, hate speech, and other bias-motivated crimes; (3) consider changes to state law necessary to ban similarly incendiary flags and other such images from being displayed in places that receive state funding, and; (4) study and present options for encouraging and training citizens from diverse, marginalized, or underrepresented racial and ethnic groups to run for and serve in public office at all levels of government.

Requires the governor to appoint an executive director of the Office. Requires the executive director to hire and supervise other staff as may be necessary. Attaches the Office administratively to the Tennessee Human Right Commission (THRC) and declares it for all other purposes independent. Requires all appropriate agencies of state government to provide assistance to the Office upon request.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$25,500/FY21-22 and Subsequent Years/
Facilities Revolving Fund**

**Increase State Expenditures - \$483,000/FY21-22
\$408,000/FY22-23 and Subsequent Years**

Assumptions:

- In order to effectively carry out its duties as prescribed, it is assumed the Office will require, at minimum, five personnel positions as follows with estimated annual salaries:
 - One Executive Director - \$93,240;
 - One General Counsel - \$73,044;
 - Two staff persons - \$38,472, each; and
 - One Administrative Assistant - \$30,156.
- The total increase in annual expenditures for personnel is estimated to be \$382,523 (\$273,384 salaries + \$79,139 benefits + \$30,000 in supplies, communications, incidentals, and other costs).
- In addition, there will be one-time expenditures for furniture, computers, law books, etc. to get the office set up. The one-time increase in expenditures associated with office setup is estimated to be \$15,000 per person, or \$75,000 (\$15,000 x 5 employees).

- The Office will require an estimated 200 square feet of office space per employee in which to conduct its business.
- The total office space required is estimated to be 1,000 square feet (5 employees x 200 square feet).
- It is assumed the Office will be located in Nashville and that there is such space currently available in existing state-owned office buildings in Nashville.
- The current rental rate for Nashville approved by the State Building Commission and payable to the Facilities Revolving Fund is \$25.50 per square foot per year.
- Therefore, a recurring increase in expenditures for office space of \$25,500 (1,000 square feet x \$25.50 per square foot).
- A recurring increase in revenue to the Facilities Revolving Fund of \$25,500 in FY21-22 and subsequent years.
- The total increase in state expenditures associated with the proposed Office of Racial Equity is estimated to be \$483,023 (\$382,523 positions + \$75,000 office setup + \$25,500 rent) in FY21-22; and \$408,023 (\$382,523 positions + \$25,500 rent) in FY22-23 and subsequent years.
- There will not be a significant increase in state expenditures to the THRC for the Office to be administratively attached.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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